

Filed for intro on 05/20/1999

HOUSE BILL 1984

By Hargrove

AN ACT to establish the Cookeville Regional Medical Center Authority and to amend Chapter 223 of the Private Acts of 1961; as subsequently amended by various private acts, including Chapter 61 of the Private Acts of 1995; Chapter 209 of the Private Acts of 1996 and Chapter 14 of the Private Acts of 1997; and any other acts amendatory thereto, relative to the Cookeville Regional Medical Center.

WHEREAS, Cookeville Regional Medical Center was established as part of the charter of the City of Cookeville pursuant to Chapter 223 of the Private Acts of 1961, as subsequently amended by various private acts, including Chapter 61 of the Private Acts of 1995, Chapter 209 of the Private Acts of 1996, and Chapter 14 of the Private Acts of 1997; and

WHEREAS, Chapter 223 of the Private Acts of 1961, as subsequently amended, established a board of trustees for Cookeville Regional Medical Center, the powers and duties for such board of trustees, terms of offices and elections of successors for such board of trustees, and other powers relative to the operation of Cookeville Regional Hospital and related facilities; and

WHEREAS, significant changes in the delivery of health care have occurred since the establishment of Cookeville Regional Medical Center and its board of trustees; and

WHEREAS, the organization of the board of trustees of Cookeville Regional Medical Center as part of the Cookeville City Charter creates constraints on the authority and operations of such board of trustees so as to preclude it from responding to the changes in the delivery of health care; and

WHEREAS, the General Assembly finds that the operations of Cookeville Regional Medical Center and related facilities will be enhanced if its board of trustees is reconstituted as a private act hospital authority as that term is used in 1996 Tenn. Pub. Acts, Ch. 778, the Private Act Hospital Authority Act of 1996; and

WHEREAS, the purpose of this act is to reconstitute the board of trustees of Cookeville Regional Medical Center as the board of trustees of the Cookeville Regional Medical Center Authority, such to have the powers granted to private act hospital authorities under the Private Act Hospital Authority Act of 1996; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. There is hereby created the Cookeville Regional Medical Center Authority established for the purpose of operating Cookeville Regional Hospital and all other hospital, clinical and health care facilities related thereto.

SECTION 2. Cookeville Regional Medical Center Authority is a private act hospital authority as that term is used in 1996 Tenn. Pub. Acts, Ch. 778, the Private Act Hospital Authority Act of 1996. All hospital, clinical and health care facilities operated and controlled by the board of trustees of Cookeville Regional Medical Center, as set forth in the City Charter of Cookeville as of the effective date of this act, shall hereinafter be operated and controlled by the board of trustees of Cookeville Regional Medical Center Authority. The Cookeville Regional Medical Center Authority shall have the right to use the name of Cookeville Regional Medical Center, Cookeville Regional Hospital and any other names adopted by its board of trustees.

SECTION 3. Upon approval of the local governing body, as set forth in section 17 below, the initial board of trustees of Cookeville Regional Medical Center Authority shall be the same

persons who are the board of trustees of Cookeville Regional Medical Center upon such date. The terms of the additional board of trustees of Cookeville Regional Medical Center Authority shall continue until the respective dates of expiration that would have been applicable under the Charter of the City of Cookeville in the absence of this Act. Thereafter, the election and terms of offices shall be as set forth herein.

SECTION 4. Subject to sections 5 and 11, and other provisions relative to removal from office, the term of office for members of the board of trustees shall be for seven (7) years, and no member shall serve more than one (1) full term without a three (3) year break. One (1) trustee of said board shall be a physician who is a member of the hospital medical staff who will serve a seven (7) year term, one (1) trustee shall be the person holding the office of mayor of the City of Cookeville, Tennessee, who shall serve during his/her term of office, and one (1) trustee shall be the person holding the position of chief of staff of Cookeville Regional Medical Center, who shall serve during his/her term of office. All members of the board of trustees shall have the right to vote. The term of office of all trustees, except the mayor of the City of Cookeville and the hospital chief of staff, shall expire on July 31 of the year in which his/her term of office ends, and each new trustee shall take office on August 1 after his/her election.

SECTION 5. Annually the Cookeville city council shall elect for a seven (7) year term, in the manner hereinafter provided, a successor to that member of the board of trustees whose term shall have expired. No action on the part of the Cookeville city council need be taken to replace or name a successor to the board upon a change in the office of mayor or chief of staff, for the new mayor and chief of staff shall automatically become an exofficio member of said board of trustees. Members of said board, except members of the medical staff of Cookeville Regional Medical Center, shall be residents of the city of Cookeville. A trustee whose term has expired shall continue to serve until his or her successor shall have been elected in the manner herein provided. In the event of death or resignation of a trustee prior to the expiration of his or her term, his or her successor shall be elected for the unexpired term in the same manner as

the deceased or retiring trustee was elected, and shall take office upon election. Such successor trustee shall be eligible for re-election for a full term. Any member of the board of trustees can be removed from the board by a unanimous vote of the other members of the board of trustees.

SECTION 6. The Cookeville city council shall elect the successor trustee or trustees from among three (3) nominees for each trustee to be elected and whose names shall be submitted to the council by the remaining trustees not less than thirty (30) days prior to the expiration of the term of any trustee whose successor is to be elected, provided, however, that the city council by a majority vote of its members may elect a successor trustee or trustees not nominated by the board.

SECTION 7. The board of trustees shall hold regular meetings on a date or dates which it shall establish. Called meetings may be held at any time upon two (2) days written notice, on call of the chairman or of any three (3) members of the said board, provided that members may waive notice of call of any meetings. The proceedings of all meetings shall be recorded in an official minute book which shall be a public record. Five (5) of the members of the said board of trustees shall constitute a quorum for the transaction of business, and any action taken at a meeting of the board shall be by a majority vote, a quorum being present. As soon as practicable, the board of trustees shall promulgate and record on permanent record the rules under which it will operate.

SECTION 8. The board of trustees shall meet as soon as possible after the effective date of this act and after the election required under section 5 for the purpose of (1) electing one of its members as chairman, (2) electing one of its members as secretary, (3) selecting a person to serve as administrator, who shall also serve as the treasurer of the board, and who shall execute bond for the faithful performance of his said duties as treasurer and administrator, in an amount to be fixed and determined by said board, said bond to be approved by said board.

SECTION 9. The board of trustees shall have the responsibility and authority to control and operate the hospital, clinical and health care facilities described herein; to receive all revenues derived from such facilities, and any donations or grants; and to disburse all such monies to discharge the financial obligations related to the facilities described in this act and otherwise as determined by the board of trustees; to exercise the powers granted to private act hospital authorities under 1996 Tenn. Pub. Acts, Ch. 778; to make contracts for goods and services; to establish policies, rules and regulations governing the operation of the said hospital, its uses and management; and to define the duties and establish the compensation of the administrator; to regulate admissions to the said hospital, clinical and health care facilities and establish reasonable rates and charges for the services rendered by such facilities; and to collect and receipt for the same. All monies of the authority shall be disbursed in accordance with the rules and regulations adopted and determined by the board of trustees, by check signed by the facility administrator. Notwithstanding any other provisions of law, the authority of the board of trustees to enter into joint ownership arrangements with other providers relative to health care facilities shall be limited to those health care facilities that are located on the campus of Cookeville Regional Medical Center.

SECTION 10. The board of trustees shall act as an advisory board to the City of Cookeville concerning extensions and enlargements of hospital, clinical and health care facility buildings or improvement of facilities requiring alterations to such buildings, and shall recommend to the Cookeville city council such extensions, alterations or enlargements of buildings, or additional buildings as from time to time may be necessary for the purpose of providing adequate and reasonable health care services to the areas served by said facilities.

SECTION 11. The board of trustees shall annually prepare and submit to the Cookeville city council, through the city manager, a budget for the hospital, clinical and health care facilities. Said budget shall be for the city's fiscal year, shall be submitted on or before a date fixed by the Cookeville city council, and shall contain such pertinent information as is prescribed

in the Cookeville City Charter. Said budget shall become effective only upon approval of the Cookeville city council, in the manner provided by the Cookeville City Charter.

Said budget may be amended from time to time, in the manner provided in the Cookeville City Charter.

In the event said budget is exceeded without approval of the Cookeville city council, the entire board of trustees or any member thereof may be removed within the discretion of the Cookeville city council upon a vote of four (4) of the members of said council; in which event the respective terms of any members of the board of trustees who shall be so removed shall be immediately filled by the Cookeville city council, whereupon the newly constituted board of trustees shall immediately resume their responsibilities as herein provided.

SECTION 12. The board of trustees shall prepare and submit to the Cookeville city council financial statements and other reports as may be required by said council. The Cookeville city council shall have authority to inquire into the operation of the hospital facilities and to this end empowered to have access to and examine the business records of said hospital facilities during regular business hours.

SECTION 13. No member of the board of trustees shall sell merchandise or contract for services with the Cookeville Regional Medical Center Authority, or in any way engage in financial transactions with said authority, directly or indirectly, nor shall an employee of the City of Cookeville, except as provided in sections 4 and 14 of this act, be eligible to serve on the board of trustees of Cookeville Regional Medical Center Authority.

SECTION 14. The administrator, assistant administrator, and the heads or directors of all departments shall be entitled to seats on the board, but shall have no vote therein. The administrator shall have the right to take part in all the discussions of all matters coming before the board of trustees, and the heads and directors of all departments shall be entitled to take part in all discussions of the board of trustees relating to their respective offices, departments or agencies.

SECTION 15.

(a) A referendum of the voters of the City of Cookeville approving the sale or leasing of the assets, buildings and real property of the hospital and clinical facilities owned by the City of Cookeville, including the facilities known as Cookeville Regional Medical Center, is required prior to such leasing by the Cookeville city council except as follows:

(1) The board of trustees of the Cookeville Regional Medical Center Authority by majority vote of its membership adopts a resolution that finds and declares:

(A) that an emergency exists in the operation of such facility because of its rapidly deteriorating financial condition and inability to meet current cash requirements, debts payable, or lacks adequate operating capital;

(B) that the continued operation of the hospital is not economically feasible;

(C) that the continued operation of such facility will adversely affect the financial stability of the city; and

(2) After a public hearing, the Cookeville city council by unanimous vote of its membership approves the recommendations of the board of trustees of the Cookeville Regional Medical Center Authority; or

(3)

(A) The board of trustees of the Cookeville Regional Medical Center Authority by majority vote of its membership adopts a resolution that finds and declares that part of the buildings and real property of such facilities is no longer needed by the board of trustees for the operation of such hospital and clinical facilities; that such buildings and property are

surplus; and that the board recommends to the Cookeville city council that such property be sold or leased by the City of Cookeville; and

(B) After a public hearing, the Cookeville city council by unanimous vote of its membership, approves the recommendations of the board of trustees of the Cookeville Regional Medical Center Authority of either the sale or lease of such portion of the property.

(b) A referendum required by this section shall be held at any general election or city election or may be held at a special election called for such purpose. The ballots used in such election shall have printed on them the substance of the proposed lease of such hospital or real property and the voters shall vote for or against its approval.

SECTION 16. Chapter 223 of the Private Acts of 1961, as subsequently amended by various private acts, is amended by deleting the current sections of Article IX of the Cookeville City Charter in their entirety and substituting instead the following:

Section 9.01. The Cookeville city council shall take necessary action to elect and replace the members of the board of trustees of Cookeville Regional Medical Center Authority, as provided in the private act creating such authority.

SECTION 17. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Cookeville city council. Its approval or non-approval shall be proclaimed by the presiding officer of the Cookeville city council and certified by him to the Secretary of State.

SECTION 18. For the purpose of approving and rejecting the provisions of this act, it shall be effective upon becoming law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved, as provided in Section 17.